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THE AGRICULTURAL SITUATION

A Brief Summary of Economic Conditions

ISSUED MONTHLY BY THE BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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AMPLE CROPS—MORE FEEDING—LESS POULTRY

The principal food and feed crops are now practically all under cover and it is apparent that they are more ample than last year. The hay crop is not up to last year's record crop, but we have more corn, wheat, oats, cotton, potatoes, and apples. The country is harvesting about 8,000,000 acres, or 2 per cent, more of all crops than last year. As the yield per acre is also slightly higher this year, it means that the total production of all crops combined will be about 5 per cent greater than last year.

By this time, of course, the new crops have begun a substantial market movement and in most cases prices reflect the change in supply over last year. Hay of the alfalfa and clover mixture classes has been selling rather better than last season, whereas the wheat and potato markets have been unsatisfactory to growers, to say the least. The leading corn and oats regions have found some consolation in the current prices of cattle and hogs, which make feeding profitable. Students of the corn situation see a rather striking similarity this year with the season of 1925. The supply of corn is like that year and we are now in a similar phase of the corn-hog cycle.

There has been a considerable revival of stock-feeding operations in the central grain regions. The early movement of feeder cattle was very heavy; during the three months, July to September, nearly a half more cattle than last year moved into the Corn Belt through public stockyards and feeders paid over a third more for them. Likewise, during those same three months, shipments of feeder lambs into the Corn Belt, through public markets, were 17 per cent larger than last year and exceeded any other like period except in 1926. All of which reflects the fact that feed is ample and feeding considered profitable.

The number of laying hens and pullets on farms is 4 per cent smaller than last fall, according to an estimate as of October 1. The number of young chickens was 10 per cent less than last fall. The decrease was greatest in the South. The total number of eggs laid by farm flocks has run about 3 per cent less than last year. However, there are still somewhat more fowls and more eggs than there were in either 1926 or 1925.

The turkey crop, on the other hand, is slightly larger than last year, particularly in the West where a good share of the holiday turkeys come from.

On the whole, it must be said that production has been well maintained this year and if prices are low on certain crops, they are better on certain livestock products. The general index of the unit purchasing power of farm products, in terms of things that farmers buy, stands at 90 per cent of the pre-war parity.

THE TREND OF CROP PRODUCTION

	1913 production	5-year average 1922- 1926 production	1927 production	1928 October 1 fore- cast
	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>
Winter wheat.....bushels.....	523	556	553	579
Spring wheat.....do.....	240	252	319	325
All wheat.....do.....	763	807	873	904
Corn.....do.....	2, 447	2, 776	2, 774	2, 903
Oats.....do.....	1, 122	1, 352	1, 184	1, 453
Barley.....do.....		192	264	351
Buckwheat.....do.....	14	14	16	14. 8
Flaxseed.....do.....	18	20	27	22. 5
Potatoes, white.....do.....	332	394	407	464
Sweet potatoes.....do.....	59	81	94	78. 5
Tobacco.....pounds.....	954	1, 338	1, 211	1, 353
Peanuts.....do.....		671	807	821
Rice.....bushels.....	25. 7	36	40. 1	38. 8
Hay, all.....tons.....	64	91	107	92. 7
Apples, total.....bushels.....	145	199	123	178
Apples, commercial.....barrels.....		34	26	33. 5
Peaches.....bushels.....		54	46	67. 9
Sugar beets.....tons.....		7. 4	7. 8	6. 76
Beans, dry.....bushels.....		16	17	15. 9
Grain sorghums.....do.....		115	138	125

COMMENTS TO ACCOMPANY CROP REPORT AS OF OCTOBER 1, 1928

In general, the reports on yields of crops that have been harvested and reports on prospective yields of the crops now being harvested confirm earlier yield indications. Considering all crops and all States, yields are still expected to be about 3 per cent above the average yields during the last 10 years. As the total acreage harvested of all crops this season will probably be above that harvested last year by about 8,000,000 acres, or 2 per cent, the total production of all crops combined seems likely to exceed production last year by around 5 per cent.

Corn.—A corn crop of 2,903,000,000 bushels was indicated by the October condition of 77.7 per cent. This was a decrease from the indication of September 1 of slightly less than 1 per cent. This reduction was about evenly divided between the Corn Belt States and the Southern States with Eastern and far Western States showing practically no change. Corn crop prospects continued to decrease in South Dakota as a result of continued drought; and in the South Atlantic Coast States because of wind and storm damage.

The October indication for corn was about 5 per cent above the 1927 crop of 2,774,000,000 bushels. About 74 per cent of the 1928 crop is concentrated in the 12 North Central States as compared with 69 per cent last year. This year's production is about 36 per cent above last year in the Corn Belt States east of the Mississippi where production was unusually low a year ago, and only slightly above last year in the western Corn Belt. A larger crop is indicated in the North Atlantic States. A decrease of 18 per cent is shown for the South Atlantic States, and about 15 per cent for the South Central States.

Wheat.—The production of all wheat is estimated at 903,865,000 bushels, an increase of not quite 3,000,000 bushels over the forecast of September 1. The production in 1927 was estimated at 872,595,000 bushels. Durum wheat is now estimated at 84,885,000 bushels, practically the same as the September forecast. Yields are running somewhat higher than expected in Minnesota and South Dakota, and lower in North Dakota. Spring wheat, other than durum, is estimated at 240,381,000 bushels, compared with 237,607,000 bushels forecast in September and 243,152,000 bushels harvested in 1927.

Oats.—The production of oats is forecast at 1,452,966,000 bushels, which is practically the same as the forecast of a month ago, but 268,820,000 bushels higher than the production of 1927. Reductions from the September forecast are shown in the North Atlantic States, but these reductions are offset by increases in the rest of the country. The quality is 89.1 per cent, comparing with a 10-year average quality of 86.4 per cent.

Tobacco.—The production of tobacco is forecast at 1,353,258,000 pounds, a decline of 18,524,000 pounds from the forecast a month ago. The production in 1927 was 1,211,301,000 pounds.

The greatest decline during September is noted in Virginia and North Carolina, where storms caused much damage, especially to flue-cured tobacco.

New England tobacco yields and quality have been reduced by the wet season. The Pennsylvania crop has been damaged by rust and wildfire.

Preliminary yield reports from Kentucky and Tennessee indicate a larger production in those States than was forecast in September, in spite of frost damage to late crops in the western third of Kentucky.

Potatoes.—With digging in progress in all late potato States, preliminary reports on expected yields largely confirm earlier forecasts of a yield above 120 bushels per acre. The total crop is estimated at 463,722,000 bushels. Although some fields are still green, the yield will now depend largely on the extent to which growers gather the seconds and culls. If the price continues low, an undetermined quantity of the potatoes included in the present forecast will be left in the fields. This year's acreage is large and yields are fairly heavy in most of the important States, the chief exceptions being Maine and some of the Western States, where yields are rather light. Production is particularly heavy this year in some of the Corn Belt States and these States will be less dependent than usual on shipped-in supplies.

Apples.—The apple crop is developing about as expected, though prospects have declined slightly in the Northeast and have improved a little in Washington. The high quality of this year's crop in Virginia and Maryland is also causing shipments from these States to exceed earlier expectations.

There is about an average supply of apples in the country as a whole, and the crop is evenly distributed. The total crop is estimated at 177,560,000 bushels, more than 1,000,000 bushels below the expectations a month ago, 69,000,000 bushels below the big crop of 1926, and 54,000,000 bushels above the short crop of 1927. It is estimated that about 100,000,000 bushels of this year's crop will be marketed for consumption as fresh fruit.

GENERAL TREND OF PRICES AND WAGES

[1910-1914=100]

Year and month	Whole-sale prices of all commodities ¹	Industrial wages ²	Prices paid by farmers for commodities used in—			Farm wages	Taxes ³
			Living	Pro-duction	Living production		
1910	103	-----	98	98	98	97	-----
1911	95	-----	100	103	101	97	-----
1912	101	-----	101	98	100	101	-----
1913	102	-----	100	102	100	104	-----
1914	100	-----	102	99	101	101	100
1915	103	101	107	103	106	102	102
1916	129	114	125	121	123	112	104
1917	180	129	148	152	150	140	106
1918	198	160	180	176	178	176	118
1919	210	185	214	192	205	206	130
1920	230	222	227	175	206	239	155
1921	150	203	165	142	156	150	217
1922	152	197	160	140	152	146	232
1923	156	214	161	142	153	166	246
1924	152	218	162	143	154	166	249
1925	162	223	165	149	159	168	250
1926	154	229	164	144	156	171	253
1927	149	231	161	144	154	170	-----
1927							
January	150	232	-----	-----	-----	162	-----
February	149	231	-----	-----	-----	-----	-----
March	148	234	161	143	154	-----	-----
April	147	230	-----	-----	-----	166	-----
May	147	230	-----	-----	-----	-----	-----
June	146	230	161	145	155	-----	-----
July	147	228	-----	-----	-----	172	-----
August	149	231	-----	-----	-----	-----	-----
September	152	233	161	145	154	-----	-----
October	153	231	-----	-----	-----	175	-----
November	152	226	-----	-----	-----	-----	-----
December	152	233	161	142	153	-----	-----
1928							
January	151	230	-----	-----	-----	161	-----
February	151	230	-----	-----	-----	-----	-----
March	150	233	162	145	155	-----	-----
April	152	227	-----	-----	-----	166	-----
May	154	230	-----	-----	-----	-----	-----
June	153	232	162	148	156	-----	-----
July	154	230	-----	-----	-----	170	-----
August	155	231	-----	-----	-----	-----	-----
September	157	234	-----	-----	-----	-----	-----

¹ Bureau of Labor Statistics. Index for 1928 obtained by multiplying new series by 156.6.

² Average weekly earnings, New York State factories. June, 1914=100.

³ Index of estimate of total taxes paid on all farm property. 1914=100.

GENERAL TREND OF PRICES AND PURCHASING POWER

[On 5-year base; August, 1909–July, 1914=100]

Year and month	Index numbers of farm prices							Prices paid by farmers for commodities bought ¹	Ratio of prices received to prices paid
	Grains	Fruits and vegetables	Meat animals	Dairy products	Poultry products	Cotton and cottonseed	All groups, 30 items		
1910-----	104	91	103	100	104	113	103	98	106
1911-----	96	106	87	97	91	101	95	101	93
1912-----	106	110	95	103	101	87	99	100	99
1913-----	92	92	108	100	101	97	100	100	99
1914-----	103	100	112	100	105	85	102	101	101
1915-----	120	83	104	98	103	78	100	106	95
1916-----	126	123	120	102	116	119	117	123	95
1917-----	217	202	173	125	157	187	176	150	118
1918-----	226	162	202	152	185	245	200	178	112
1919-----	231	189	206	173	206	247	209	205	102
1920-----	231	249	173	188	222	248	205	206	99
1921-----	112	148	108	148	161	101	116	156	75
1922-----	105	152	113	134	139	156	124	152	81
1923-----	114	136	106	148	145	216	135	153	88
1924-----	129	124	109	134	147	211	134	154	87
1925-----	156	160	139	137	161	177	147	159	92
1926-----	129	189	146	136	156	122	136	156	87
1927-----	128	155	139	138	141	128	131	154	85
September—									
1923-----	111	131	112	145	144	204	132	(154)	86
1924-----	140	113	115	126	153	175	132	(154)	85
1925-----	148	142	143	137	152	178	144	(159)	91
1926-----	121	136	148	133	155	134	134	156	86
1927-----	134	145	142	135	143	179	140	154	91
1928									
January-----	125	144	138	145	177	152	137	(154)	89
February-----	128	153	139	145	144	141	135	(154)	87
March-----	136	174	139	142	122	147	137	155	89
April-----	144	179	142	139	121	154	140	(156)	90
May-----	160	181	151	136	128	166	148	(156)	95
June-----	152	168	150	134	127	162	145	157	92
July-----	142	156	157	134	134	170	145	² 157	² 93
August-----	120	137	162	135	140	153	139	² 157	² 89
September-----	117	127	174	141	156	142	141	² 157	² 90

¹ These index numbers are based on retail prices paid by farmers for commodities used in living and production reported quarterly for March, June, September, and December. The indexes for other months are straight interpolations between the successive quarterly indexes.

² Preliminary.

THE TREND OF MOVEMENT TO MARKET

Figures show wheat, corn, hogs, cattle, sheep receipts at primary markets; butter receipts at five markets, compiled by this bureau.

Year and month	Receipts					
	Wheat	Corn	Hogs	Cattle	Sheep	Butter
Total—	<i>1,000 bushels</i>	<i>1,000 bushels</i>	<i>1,000</i>	<i>1,000</i>	<i>1,000</i>	<i>1,000 pounds</i>
1920-----	332, 314	210, 332	42, 121	22, 197	23, 538	402, 755
1921-----	435, 606	340, 908	41, 101	19, 787	24, 168	468, 150
1922-----	413, 106	378, 598	44, 068	23, 218	22, 364	526, 714
1923-----	386, 430	271, 858	55, 330	23, 211	22, 025	545, 380
1924-----	482, 007	278, 719	55, 414	23, 695	22, 201	587, 477
1925-----	346, 381	223, 604	43, 929	24, 067	22, 100	574, 489
1926-----	362, 876	234, 873	39, 772	23, 872	23, 868	572, 935
1927-----	455, 991	241, 245	41, 411	22, 763	23, 935	581, 592
September—						
1920-----	43, 808	19, 906	2, 391	2, 295	2, 895	35, 991
1921-----	51, 096	35, 578	2, 655	1, 906	2, 618	41, 560
1922-----	57, 839	31, 123	3, 062	2, 397	2, 303	38, 477
1923-----	44, 196	18, 355	3, 607	2, 294	2, 659	41, 625
1924-----	81, 183	22, 084	3, 216	2, 566	3, 027	47, 467
1925-----	57, 756	12, 889	2, 741	2, 158	2, 627	45, 005
1926-----	46, 266	13, 740	2, 819	2, 397	3, 279	44, 761
1927-----	79, 962	21, 259	2, 565	1, 988	2, 848	42, 234
1927						
October-----	71, 696	19, 132	3, 039	2, 635	3, 587	38, 301
November-----	42, 394	15, 924	3, 666	2, 346	1, 896	33, 607
December-----	23, 903	36, 777	4, 209	1, 691	1, 609	33, 687
1928						
January-----	22, 313	37, 116	5, 306	1, 771	1, 705	42, 271
February-----	21, 403	44, 453	5, 267	1, 516	1, 669	41, 140
March-----	24, 639	39, 520	4, 639	1, 465	1, 520	45, 748
April-----	17, 483	19, 724	3, 483	1, 684	1, 591	44, 721
May-----	24, 718	23, 289	3, 723	1, 799	1, 952	54, 427
June-----	13, 883	18, 345	3, 548	1, 558	1, 913	69, 650
July-----	64, 846	24, 535	2, 924	1, 650	1, 898	65, 145
August-----	78, 372	20, 485	2, 523	1, 829	2, 362	55, 339
September-----	72, 579	19, 608	2, 602	2, 191	3, 386	44, 969

Market receipts of wheat were somewhat lighter in September than during the previous month or September last year. The same was true of corn.

The September movement of both hogs and cattle to market showed a little seasonal increase while shipments of sheep and lambs were heavy. Butter receipts showed a further decline for the month but were slightly heavier than September last year.

THE TREND OF EXPORT MOVEMENT

Compiled from the Department of Commerce reports by division of statistical research of this bureau.

Year and month	Wheat including flour ¹	Tobacco (leaf)	Bacon, hams, and shoulders ²	Lard	Total meats ³	Cotton running bales ⁴
	<i>1,000 bushels</i>	<i>1,000 pounds</i>	<i>1,000 pounds</i>	<i>1,000 pounds</i>	<i>1,000 pounds</i>	<i>1,000 bales</i>
Total—						
1920.....	311, 601	467, 622	821, 922	612, 250	1, 043, 500	6, 111
1921.....	359, 021	515, 353	647, 680	868, 942	786, 280	6, 385
1922.....	235, 307	430, 908	631, 452	766, 950	733, 832	6, 015
1923.....	175, 190	474, 500	828, 890	1, 035, 382	958, 472	5, 224
1924.....	241, 454	546, 555	637, 980	944, 095	729, 832	6, 653
1925.....	138, 784	468, 471	467, 459	688, 829	547, 361	8, 362
1926.....	193, 861	478, 769	351, 591	698, 971	428, 613	8, 916
1927.....	222, 792	506, 751	237, 798	681, 303	302, 936	9, 198
September—						
1920.....	35, 182	37, 261	50, 369	46, 326	58, 181	227
1921.....	39, 310	33, 009	61, 856	104, 741	70, 107	513
1922.....	32, 099	33, 102	51, 040	61, 120	60, 863	365
1923.....	22, 779	37, 646	76, 911	83, 630	88, 833	686
1924.....	39, 537	37, 245	43, 117	65, 810	50, 092	734
1925.....	13, 152	50, 677	32, 900	62, 646	40, 230	750
1926.....	31, 031	38, 319	26, 927	61, 577	33, 843	789
1927.....	39, 792	38, 394	23, 952	59, 736	30, 213	620
1927						
October.....	36, 347	47, 044	16, 322	50, 355	21, 418	1, 113
November.....	26, 961	54, 307	13, 744	49, 636	17, 982	984
December.....	12, 211	47, 644	19, 947	62, 855	24, 453	745
1928						
January.....	11, 809	42, 600	22, 212	70, 660	27, 102	712
February.....	6, 725	41, 355	22, 175	79, 872	27, 850	614
March.....	7, 492	45, 957	28, 016	79, 929	34, 666	596
April.....	7, 880	41, 218	22, 074	56, 554	28, 607	467
May.....	8, 793	38, 726	21, 711	55, 540	28, 148	578
June.....	8, 230	30, 278	23, 850	53, 436	29, 014	444
July.....	7, 193	19, 417	25, 851	52, 940	31, 268	331
August.....	14, 775	26, 200	14, 913	50, 658	31, 300	253
September.....	22, 732	56, 953	13, 956	46, 158	18, 685	810

¹ Wheat flour is converted on a basis of 4.7 bushels of grain equal 1 barrel of flour.

² Includes Cumberland and Wiltshire sides.

³ Includes fresh, canned, and pickled beef; bacon, hams, and shoulders; fresh, canned, and pickled pork; fresh mutton and lamb.

⁴ Excludes linters.

COLD-STORAGE SITUATION

[October 1 holdings (shows nearest million; i. e., 000,000 omitted)]

Commodity	5-year average	Year ago	Month ago	Oct. 1, 1928
Creamery butter-----pounds--	127	147	136	128
American cheese-----do-----	71	65	84	82
Case eggs-----cases--	¹ 8, 153	¹ 7, 960	¹ 9, 944	¹ 8, 541
Total poultry-----pounds--	41	43	41	44
Total beef-----do-----	44	36	31	37
Total pork-----do-----	554	609	682	515
Lard-----do-----	90	118	178	127
Lamb and mutton-----do-----	2	2	2	2
Total meats-----do-----	656	705	772	605

¹ 3 figures omitted.

During September, about 8,000,000 pounds of creamery butter were withdrawn from storage. September last year showed a reduction in stocks of 16,305,000 pounds. There is still an apparent shortage of this commodity, compared with October 1 a year ago, of over 19,000,000 pounds, but holdings are slightly above the 5-year average.

There was a comparatively slight out-movement of American cheese, which amounted to about 2,000,000 pounds. Stocks show a heavy surplus above both last year and the 5-year average. The excess over a year ago is over 16,000,000 and above the 5-year average, 10,000,000 pounds.

The surplus holdings of case eggs which last month were 290,000 compared with a year ago, were increased during September to 581,000 cases. The out-movement during the month, while normal, compared with the 5-year average, was 287,000 less than the same period a year ago.

Stocks of frozen eggs were reduced by about 7,000,000 pounds, which compares with 6,000,000 last year. Holdings were in excess of October, 1927, by 11,000,000 pounds.

Frozen poultry stocks increased by about 3,000,000 pounds which is somewhat heavier than average and are now about in line with last year and only slightly in excess of the 5-year average.

Frozen and cured beef holdings were increased by something over 6,000,000 pounds, which places stocks over 1,500,000 pounds heavier than a year ago, but over 6,000,000 less than the 5-year average.

The heavy out-movement of pork stocks noted for the past two or three months continues during September with further reduction amounting to 166,000,000 pounds. Stocks are now 94,000,000 less than a year ago and 39,000,000 less than the 5-year average.

Lard out-movement was 51,000,000 pounds. This compares with 49,000,000 last year and a 5-year average of 44,000,000. However, stocks are still in excess of last year by nearly 9,000,000 pounds and 36,000,000 above the 5-year average.

Apparently, the cold-storage situation with regard to butter, poultry, and meats shows holders of these commodities to be in a good position; but with cheese, eggs, and lard the situation is, to say the least, somewhat doubtful.

WILLIAM BROXTON,
Cold Storage Section, B. A. E.

GENERAL BUSINESS INDICATORS RELATED TO AGRICULTURE

	Septem- ber, 1927	August, 1928	Septem- ber, 1928	Month's trend
PRODUCTION				
Pig iron, daily (thousand tons)-	92	101	102	Increase.
Bituminous coal (million tons)--	42	41	41	Unchanged
Steelingots (thousand long tons)-	¹ 3, 269	4, 178	4, 148	Decrease..
CONSUMPTION				
Cotton, by mills (thousand bales).	¹ 628	527	492	Decrease.
Unfilled orders, Steel Corpora- tion (thousand tons).	3, 148	3, 624	3, 698	Increase.
Building contracts in 27 North- eastern States (million dollars).	449	451	521	Do.
Hogs slaughtered (thousands)--	1, 512	1, 363	1, 500	Do.
Cattle slaughtered (thousands)--	1, 084	1, 007	1, 069	Do.
Sheep slaughtered (thousands)--	1, 101	1, 097	1, 213	Do.
MOVEMENTS				
Bank clearings (New York) (billion dollars).	27	27	30	Increase.
Carloadings (thousands)-----	¹ 5, 488	4, 231	5, 586	Do.
Mail-order sales (million dollars)-	41	46	51	Do.
Employees, New York State factories (thousands).	484	456	466	Do.
Average price 25 industrial stocks (dollars).	243	267	284	Do.
Interest rate (4-6 months' paper, New York) (per cent).	¹ 4. 00	5. 38	5. 63	Do.
Retail food price index (Depart- ment of Labor). ²	154	154	158	Higher.
Wholesale price index (Depart- ment of Labor). ³	96	99	100	Do.

¹ Revised.

² 1913=100.

³ 1926=100.

SUMMARY OF DAIRY STATISTICS

[Million pounds, 000,000 omitted]

PRODUCTION

	September			January to September, inclusive		
	1928	1927	Per cent change	1928	1927	Per cent change
Creamery butter---	119	114	+4.9	1,194	1,220	-2.0
Farm butter-----	49	50	-1.7	473	479	-1.4
Total butter-----	168	164	+2.9	1,667	1,699	-1.9
Cheese-----	37	34	+11.1	335	328	+2.1
Condensed and evaporated milk--	136	118	+15.6	1,521	1,556	-2.3
Total milk equivalent-----	4,251	4,069	+4.5	42,155	42,853	-1.3

APPARENT CONSUMPTION

[Including production, changes in stocks, and net imports or exports]

Butter-----	178	180	-0.9	1,584	1,590	-0.3
Cheese-----	41	44	-5.4	353	367	-3.9
Condensed and evaporated milk--	129	132	-2.5	1,394	1,298	+7.4
Total milk equivalent-----	4,480	4,544	-1.4	40,287	40,309	-0.1

T. R. PIRTLE,
Division of Dairy and Poultry Products, B. A. E.

THE DAIRY SITUATION

Early in September evidence was seen of developments which indicated a change in the dairy-market situation from the confidence and activity which had been a feature throughout the 1928 producing season to a condition where unsettled sentiment, slower trade, less favorable prices, and considerable nervousness among market operators were beginning to command a controlling position in the market. For the most part this has carried on into October, and all of these conditions have become further developed, and, while it still can not be said that there is a marked or general weakness, it is quite apparent that the balance has swung toward the weaker side.

Such statistical information as is available leads to the conclusion that this swing is due to two factors—generally increased production compared with a year ago, and a somewhat smaller movement into consuming channels. The former is apparently the more important of the two.

Examination of production figures indicates that throughout the producing season, until early September, the volume of dairy products manufactured fell short of 1927. Reserve stocks of practically all commodities were below the level of a year earlier. But in September, and even earlier in the case of cheese, the production comparison changed materially. Instead of being lower than in 1927, all products showed considerable increase. This increase ranged from about 5 per cent for creamery butter, to 11 per cent for cheese, and 15 per cent for condensed and evaporated milk. Including the decrease in farm-made butter, the total milk equivalent of these products is estimated as more than 4 per cent greater in September, 1928, than for the same month last year. This change, of course, does not mean an increase in manufacture in September over August, but rather a seasonal decrease much less than that which occurred a year ago. Indications are that this increase is continuing on through October, although it may be that the increase over a year ago is not as great as in September. Due to the decrease which occurred earlier in the season, the total production for the year to date still falls below the same period of 1927.

The increase in fall production over last year is apparently due to more favorable weather and forage conditions, and also possibly to a tendency for producers to push for larger production due to the favorable prices that had prevailed.

Trade output figures, based on production and changes in reserve supplies, indicate that movement into consuming channels has not been as favorable as a year ago. The September trade output was below the previous year for butter, cheese, and condensed and evaporated milk, the decrease in the three products combined being nearly 1.5 per cent. From January to September, inclusive, the trade output decreased for butter and cheese but increased for condensed and evaporated milk, with a net decrease of a fraction of 1 per cent. The fact that the consumer demand has not equaled last year is further indicated when it is considered that the population is constantly increasing by an amount estimated as about 1.6 per cent per year.

The reserve-stock situation is important in reflecting the results of the above conditions and in its effect upon developments during the completion of the deal. Butter stocks on October 1 were considerably short of the holdings of the previous year. Some months ago this was a factor of strength, but increased production and decreased movement of storage butter compared with last October have overbalanced the strengthening effect of the relative shortage, and these factors are so operating that the shortage is being steadily reduced. With slight decreases in demand, or no increase, increased production of the product, such as is now occurring, naturally means slower movement of reserve stocks. Cheese stocks are now in excess of a year ago and have been for a number of months. Furthermore, due to the increased production and lighter movement into trade channels, the relative surplus over last year is increasing. Condensed and evap-

orated milk stocks are considerably lighter than last October, but are somewhat in excess of the 5-year average for this month. It is noteworthy that production is heavier and unsold stocks larger than a year ago, and that the usual decrease in stocks from September to October did not occur. However, conditions affecting this industry are subject to much more effective control than for butter and cheese, and for this reason the conditions affecting the concentrated-milk markets are not always so important in determining the general dairy situation.

Butter and cheese prices have naturally been affected by all of these conditions. Butter prices have slightly receded from the high point reached early in September, and it appears that the October average will be about a cent lower than for September, whereas the normal thing is an advance of several cents. It is also evident that the average for this October will fall below the previous year, for the first time this season. Cheese prices have also declined somewhat and are 2 to 2½ cents under the same period in 1927. Cheese prices, too, have been higher than last year for most of this season.

Thus the dairy markets are now leaning toward the weaker side. Increased production has not met with increased demand, and price reactions are inevitable under these conditions. Of course, the deal is not yet over, and future developments, such as unfavorable production conditions and improved demand, may make it possible to work reserve stocks out at profitable prices. At present there is considerable doubt.

C. E. ECKLES,

Division of Dairy and Poultry Products, B. A. E.

POULTRY AND EGGS DECREASE

The number of hens and pullets of laying age in farm flocks on October 1 is reported at 4 per cent less than on the same date last year, but about 2 per cent more than two years ago and 5 per cent more than three years ago, according to estimates by the Crop and Livestock Reporting Board, United States Department of Agriculture. The number of chicks and chickens of this year's hatch in these flocks was 10 per cent less than on October 1 last year, confirming earlier information, a decrease of 10 per cent having been shown on July 1.

The decrease in number of birds in laying flocks was 8 per cent in the South Central group of States, but only 2 per cent in the North Atlantic and North Central groups. It was about 5 per cent in the South Atlantic and Western groups. The reduction in young birds is from 15 to 20 per cent in the South, about 10 per cent in the North Atlantic and Western groups but only about 4 per cent in the North Central group.

On October 1 the number of chicks and young chickens in the farm flocks is usually considerably greater than the number of hens and pullets of laying age. The young birds were 22 per cent greater this year and 30 per cent greater last year at the same date than the number of hens and pullets of laying age.

The total number of eggs laid by farm flocks this year to October 1, judged by the number reported laid on the first day of each month, was about 3 per cent less than for the same months last year, thus running closely parallel with the decrease in numbers of birds in the laying flocks. The layings are, however, about 1 per cent more than in 1926 and 7 per cent more than in 1925. Layings during the past

two months have been about the same as in the same months last year. The decrease in egg production compared with last year, on these farms, is quite uniform by groups of States except that the loss is about 7 per cent in the South Central States while in the Western States slightly more eggs appear to have been laid per farm flock than last year.

These indications are based upon reports received by the Department of Agriculture monthly for more than 20,000 farm flocks. Changes in commercial flocks might modify these indications somewhat in the North Atlantic and Western States, where production by commercial flocks is important, but not enough returns have been received from these to give a positive indication of the trend in that branch of the industry.

(From report of this bureau, issued October 18, 1928.)

SLIGHTLY LARGER TURKEY CROP

The 1928 turkey crop in the leading producing States as a whole is about 4 per cent larger than the 1927 crop and about as large as the 1926 crop. Most of the North Central States produced more turkeys this year than last, and there was a big increase in production in the Western States, but all of the Southern States produced a smaller number this year than last. In contrast to this indicated increase in turkey production, a recent report issued by the department shows a decrease of about 10 per cent in numbers of young chickens on farms October 1 compared to October 1, 1927.

The large increase in production in the Western States was due in considerable part to the development of commercial hatching and sale of day-old poults which has reached a considerable scale during the last two years in some States. Because of the large proportion of the production in this area that is shipped by rail it is possible that the increase in the commercial market supply may be somewhat larger than the indicated increase in the crop.

Weather conditions on the whole were more favorable to turkey production this year than last in all areas except the South, although excessive rains and cool weather in June caused considerable losses in many sections. With feed supplies plentiful and relatively cheap, if the weather continues favorable, the condition of the crop by the end of November should be average or better.

CATTLE FEEDING SITUATION OCTOBER 1, 1928

The most noteworthy development in the feeding situation this fall to date has been the keen demand for stocker and feeder cattle. During the three months July to September the shipments of stocker and feeder cattle through public stockyards into the 11 Corn Belt States have been over 45 per cent larger than during the same months in 1927, and a little larger than for the same months in 1926 and 1925. The average price of stocker and feeder cattle for these three months this year was about 35 per cent higher than a year ago, and from 70 to 75 per cent higher than for the same months in 1926 and 1925.

The usual tendency is for the prices of stockers and feeders to decline from about the middle of the year to the end, but this year

prices advanced steadily from the first of July to the middle of September. A big increase in supplies the latter half of September, however, resulted in a rather sharp drop in prices which carried the general average of stocker and feeder prices nearly to the level prevailing early in July.

Available information as to cattle supplies for the last three months of this year indicates that the movement of unfinished cattle into the Corn Belt will not continue to show the big increase over last year that has taken place from July to September. It hardly seems likely that the shipments during the three months, October to December, this year will exceed, if they equal, the movement of last year. Because of the uncertain corn situation last year purchases of unfinished cattle were proportionately very small from July to September and large from October to December. The corn and general feed situation this year has encouraged an early movement of stocker and feeder cattle, and the heavy speculative dealings in such cattle also apparently further encouraged this early movement.

Although the feeding States east of the Mississippi have a large increase in corn production this year over the short crop of 1927, the in-movement of stocker and feeder cattle since July 1 this year has not shown nearly as large a proportional increase as has the movement into the area west of the river. The in-movement into the eastern area increased only about 15 per cent, while that into the western area increased over 60 per cent.

Records of shipments of stocker and feeder cattle from four leading markets show that for the three months, July to September, the proportion of heavy cattle was a little larger this year than it was a year ago. The proportion of calves was also larger. The larger proportion of heavy cattle points to some increase in the number of short-fed cattle to be marketed in October and November this year over the number marketed last year.

Information from various States as to the probable number of cattle to be fed this coming winter compared to last winter, based upon opinions of bankers, feeders, and others, does not point to much increase in the Corn Belt and to a decrease in western feeding sections. The feeding situation, however, has not yet sufficiently developed to make any dependable forecasts possible.

(From report of this bureau, issued October 12, 1928.)

LAMB FEEDING SITUATION OCTOBER 1, 1928

Information available early in October indicated an increase in the number of lambs to be fed in the Corn Belt this fall and winter above the number fed last year but a considerable decrease in the number to be fed in the Western States. While the situation by October 1 had not sufficiently developed to indicate with certainty whether total feeding this year in all areas would be more or less than last year it seems probable that there will be some increase.

Shipments of feeding lambs passing through markets into the 11 Corn Belt States for the three months, July to September this year, were about 17 per cent larger than for this period last year and 12 per cent larger than the 5-year average for the period, being exceeded only by shipments in 1926. Available information as to shipments direct to

Corn Belt States feed lots and not passing through public stockyards points to some increase in this movement this year compared to last in all those States except Nebraska. With present indications for a considerable decrease in feeding in the Scottsbluff and Central Platte Valley sections of Nebraska the direct shipments into that State will probably be smaller than last year, although a considerable increase in feeding in the eastern part of the State is expected.

In spite of the greatly improved feed situation in the Corn Belt States east of the Mississippi compared to a year ago, in-shipments of feeding lambs for the three months, July to September, into this area were but little different this year from the very small in-shipments last year. Unless there is a material increase in the movement during October and November, feeding in this area this year will be considerably below normal.

Present indications are that feeding in Colorado will be on a considerably smaller scale this year than last, due principally to reduced feeding operations in northern Colorado. The rest of the State may feed more lambs than last year. The number of lambs under contract for northern Colorado at the present time, unless supplemented by heavy purchases during the next two months, indicates a reduction of at least 400,000 head from last winter in the number of lambs fed in this area. Reports from the States west of the Continental Divide point to reduced feeding in that area; but some increase seems probable in Wyoming and Montana.

(From report of this bureau, issued October 15, 1928.)

THE APPLE SITUATION

Why are apple prices lower this season than they were a year ago? Are they likely to be higher later in the season than at the present time? Before answering these questions, let us review first what has produced the present situation.

Apple growers, of course, know that last year there was a very small crop of apples throughout the United States. Instead of a usual crop of 200,000,000 bushels, there were only about 125,000,000 bushels. That smaller supply resulted in fairly good prices. This year, however, there is in prospect a crop about 50,000,000 bushels greater than last year's total supply. There is also a plentiful supply of other fruits such as pears, grapes, and oranges. Although the total crop is somewhat less than normal, it is sufficiently larger to have lowered apple prices below last year's level. Taking the country as a whole, growers are now being paid somewhat less than a dollar per bushel. For all regions, this is about 25 per cent less than last year's prices at this time.

In New England, New York, and Pennsylvania, where the supply of eastern varieties this season is not excessive, apple growers are getting prices only about 10 per cent below last year's prices.

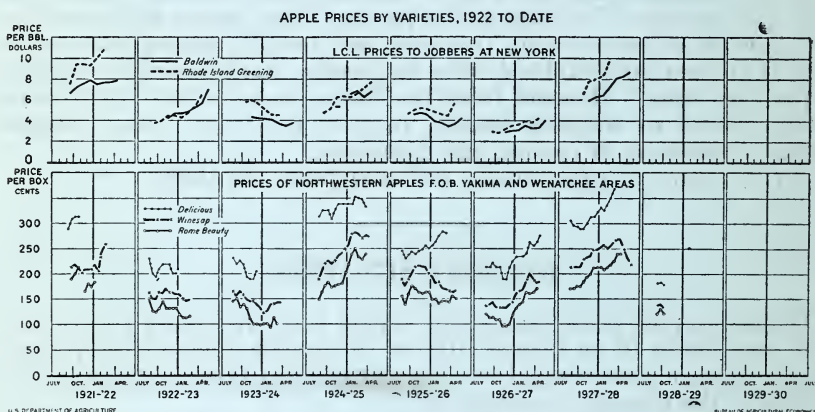
In the Western States, where the crop is close to a record, apple producers are getting prices which are 40 to 50 per cent lower than what they received last year for their Jonathans, Winesaps, and Delicious varieties. In fact, their prices are about as low as they have been in recent years.

The answer to the first question then is that the general level of apple prices is lower to-day than it was a year ago because there is in prospect a larger total supply. The better situation in the Eastern States than in the Western is due to the fact that the supply of eastern varieties is not as plentiful as is the supply from the Western States.

Turning now to the question, "Are prices likely to be better later in the season?" First, a crop of about 178,000,000 bushels, such as is in prospect this season, has in the past brought an average price to producers for the entire season at least 20 per cent higher than present prices. This suggests that if apple history repeats itself this year, prices in general are likely to be higher later in the season.

Secondly, the trend of apple prices in the eastern and mid-western sections will depend to a large extent on the far western situation. This year's crop in the Northwest is in some important respects comparable with the record crops of 1923 and 1926.

In 1926, prices of western boxed apples were very low, reaching the lowest levels of the season in November and the first part of Decem-



ber. Much of the lower grades were not shipped to eastern markets. The movement of apples into cold storage was very heavy, in spite of the fact that the preceding year's cold storage operations had not been profitable. Also, the keeping quality of some western apples was affected by an early freeze in September. Furthermore, domestic business conditions in 1926 were good and a strong foreign demand developed. A considerable advance in apple prices consequently took place after the low prices of November and December. Prices might have advanced even more but for the record supply of eastern apples.

This year we have again a large western crop with very low prices, a situation which will probably keep some of the lower grade fruit from the market. Already it appears that the shipments from the West so far this season have totaled about 20,000 cars, or about 5 per cent less than the shipments for the same period of 1926. Cold storage holdings of western varieties this year may again be considerable, partly because of the greater supply, partly because of the satisfactory experience last spring when prices advanced. On October 1, cold storage holdings in the Pacific region were about twice as large as last year and about 10 per cent lower than holdings in October, 1926.

The export demand this season appears favorable. The British apple crop, particularly the supply of late varieties, is below that of last year. Consumption of apples in the British market is expected to be well maintained for the balance of the season. In Germany and Denmark, American apples are at present finding a good market. There appears to be a good prospect of an earlier demand for American apples on the European continent this season than last and of less competition from foreign surplus producing regions.

All these influences, here and abroad, are likely to produce a price situation this season similar to that of 1923 or 1926. During those seasons, f. o. b. prices in the Northwest remained low during November and part of December and then recovered. Only in 1926, however, did the seasonal advance prove profitable to those who held fruit of good quality.

A stronger market for eastern varieties is not unlikely later in the season. The supply in the Eastern States is moderate but the high quality of this year's crop in Virginia and Maryland is producing relatively large shipments. These may tend to keep prices in the eastern markets close to present levels during the coming month or two. After that time, such factors as the moderate crop in the East, lighter shipments from the West than might be expected in view of the large crop, a continuation of a good foreign demand, and about a normal business situation in this country, should result in better prices in the spring than during November and December.

But prices of eastern varieties are not now as much below last year's level as are the prices in the Northwest. The seasonal improvement, therefore, that may develop later may be more marked in western boxed apples than in eastern varieties such as Baldwins and Greenings.

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THE CORN PRICE SITUATION

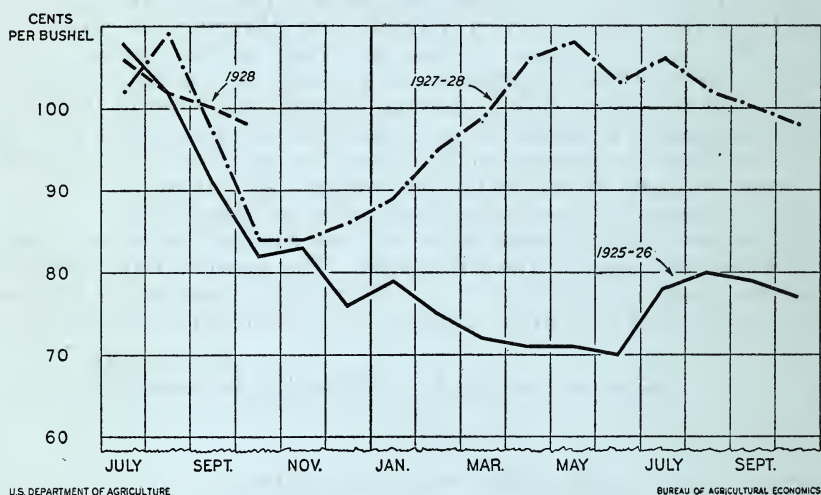
Farmers, especially Corn Belt farmers, are much concerned about what is going to happen to corn prices. Many will have more corn than they wish to feed and they want to know what will be the course of corn prices so that they can judge when to sell—or whether to hold their corn until next year. Others who are thinking about feeding cattle this winter want to know whether corn will be low enough in price so that they can afford to buy it in order to feed.

What do the present underlying conditions tell us about corn prices? Stocks of old corn are very low. The new crop is fairly large. Commercial demand is active. Feeding demand for the coming winter should be good, but not quite so great as last year.

If we compare the present situation with that of 1925, we find them very much alike. This year both stocks of old corn and the new crop appear to be almost the same as in 1925. Furthermore, we are now in almost the same phase of the corn-hog cycle as we were then. Though the oats crop was larger in 1925, this is offset by a barley crop which is larger this year. Total supplies of the three grains, corn, oats, and barley, now appear to be about 231,000,000,000 pounds as compared with 229,000,000,000 in 1925.

These things suggest that, whether they be higher or lower than they were then, the course of corn prices during the next 10 months is likely to be somewhat like that of the period October, 1925, to August, 1926. The course of the price of No. 3 yellow corn at Chicago from July, 1925, to October, 1926, is shown in the accompanying chart. It will be noted it averaged 82 cents for October, 83 in November, and then dropped fairly steadily until it reached 72 cents in March. During the next three months it remained about the same, averaging 70 cents per bushel in June. Then, however, it rose abruptly to 78 cents in July and 80 in August.

Despite the likeness of the present corn price situation to that of three years ago, there are some things which suggest that the level of prices will be somewhat higher, and that the seasonal decline may be delayed. First of all, the European crop appears likely to be about 20 per cent smaller than in 1925, and, unless the Argentine crop turns



U.S. DEPARTMENT OF AGRICULTURE

BUREAU OF AGRICULTURAL ECONOMICS

Showing trend of price of No. 3 yellow corn at Chicago during the seasons of 1925-26 and 1927-28

out to be a large one, this should help the export demand for American corn. Furthermore, cattle prices are now much better than in the fall of 1925, so that, if Corn Belt farmers can get feeder cattle, this may increase the demand for feeding corn over what it was three years ago. In addition, it is well to note that prices are holding up better than they did in 1925. Cash corn has been selling about 10 or 12 cents higher and December futures about 4 cents higher than at this season in 1925.

Nevertheless, in view of the general situation, it may be well to observe that years of large corn crops are not usually profitable years for the man who sells corn, unless he sells early before cash prices drop, or very late after they have risen.

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POTATOES AND TRUCK CROPS

Northern produce is now mostly under cover and owners are considering the annual question to sell or to hold. Often it is the dealer who decides for them, most growers being quite ready to sell as soon as they can get their price. This year, buyers have taken hold well on the apple, onion, and cabbage crops, but slowly with potatoes.

Early November finds the potato harvest finishing slowly. Growers did not feel like hiring extra help at digging time. Some fields were caught by early freezes and more damage is likely in the event of a sudden cold snap. The reports agree on the point that local buyers are particular about the grading of stock which they accept at loading stations. Insistence on close grading will tend to reduce the market supply somewhat and improve the quality, if the growers themselves can refrain from upsetting market conditions by shipping field-frosted and other low-grade potatoes.

There were no more than the usual local complaint of losses by decay and the general quality of the potato crop seems to be good. It is not the yield nor the quality that is unsatisfactory but the price, which has been only about half that of early November, 1927. From now on, the course of the market is the chief concern of holders.

It is admitted that in the seasons of heavy production the chance of a sharply rising market is often more a hope than a probability. Small upturns occur, but it is not easy for distant shippers to reap the benefit. A considerable rise is needed to make storage pay. Shrinkage of 8 to 10 per cent must be included if potatoes are stored until spring. If they are held only a month or two, there would be 2 or 3 per cent of shrinkage, besides some chance of late freezing or rot. Later in the season they shrink fast when warm weather begins. As a matter of course, the early seller avoids some expense and delay and the possibility of paying higher marketing costs for shipments in heated cars. There is a market opening for only a small part of the crop in the spring.

About half of the entire market product is sent out of producing sections by the first of the year. The rest of it goes to market slowly all winter. Last spring nine-tenths of the car lots of the main crop had been shipped by the 1st of March, leaving about 20,000 cars to be shipped in the spring months. The market prospect for these late shipments always depends partly on their condition in storage and somewhat on the earliness and size of the southern crop.

POTATO HOLDERS WAITING

But holding is not wholly a matter of choice. Reports from the northern Potato Belt from Maine to Idaho, indicate that many growers have been waiting for developments, chiefly because they see nothing else to be done. Most of the crop has been dug, it seems, in the opinion that it is worth something, at least, for stock feeding or the starch factory. The growers see potatoes selling far below cost of production, but hope remains and a chance of more or less improvement.

Dealers as a class have not shown any great anxiety to provide for future supplies and trading is reported dull at shipping points. The movement of the main crop in car lots has not yet caught up with last season's figures by about one-third, because of slow demand, resulting partly from full local supplies in markets of the consuming sections.

A rising trend of prices would quickly start a wave of buying. Some dealers of long experience are reported confidently storing potatoes as usual and counting on some market upturn to show them a profit. They point to the high prices of cabbage, onions, and carrots, the first two selling at nearly double the prices of a year ago. They mention the moderate production of sweet potatoes and the apparent shortage in some lines of canned vegetables. Consuming demand can not fail to be active, they assert, and they call attention to the rising tendency of miscellaneous commodities in the general market.

With more or less buying for storage and the requirements for current market supply, most producers are able to find a buyer and the question is one of price. Growers in one of the northern potato districts are reported selling their early varieties and enough of the main crop to pay their back bills, meanwhile feeding out the culls and low-grade potatoes to the livestock. What is left is well graded and they hope to do better with it some time during the season. Quite likely this plan represents a course of action in many localities.

Shipments in late October were coming along about as usual in a year of heavy production, with close to 1,000 cars a day. Early shipments are lighter rather than heavier in a season of large crops, because of delay in buying for future needs and the reluctance of holders to ship their potatoes under poor market conditions. The good local crops also tend to limit buying of outside supplies the first part of the season.

SWEET POTATOES

These, like other vegetables, are sometimes affected by the action of the potato market. Prices do not follow those of potatoes as closely as they might if either kind were commonly regarded as a substitute for the other. Potatoes are selling at half the prices of 1927; but sweet potatoes, although prices have been irregular, have been selling as high as last season in some markets. The crop is lighter this year in some of the sections producing the soft-fleshed varieties and shipments from these sections have been very moderate, resulting in reduced car-lot supplies. Shipments and production are about as usual in the northern part of the sweet potato region.

ONIONS AND CABBAGE LIGHT CROPS

The onion estimate has been cut some 3,000,000 bushels since August, indicating now a production only two-thirds that of last season. The shortage seems to be mainly in the East. Leading onion States, New York, Massachusetts, and Ohio have only one-third to two-thirds the production of last season. Indiana and Colorado were the only leading late-onion States showing anywhere near last season's figures. Yet the season's shipments have been as active as a year ago, owing to purchase of western onions for storage and even for local markets. Holders seem confident, judging from the prices close to the level of city markets, quoted in eastern producing sections. Toward the end of the month rather liberal shipments and the active import movement of foreign onions brought declines in some markets and producing sections amounting to from 5 to 10 per cent. Much of the stock offered in city markets has been of somewhat ordinary quality. It appears that most of the first-class onions have been bought up and stored. The crop has been meeting increased competition, with onions from Spain and northern Europe coming in double the volume of last season.

The strong feature of the cabbage position is the probably rather light production in New York State, the chief winter shipping section. The mid-Western States have a fairly good crop which has been selling lower than eastern cabbage in producing sections. Cabbage prices in general have been double those of a year ago. Western cabbage has the handicap of high freight cost on a bulky crop of this kind, but the prices on New York and Wisconsin cabbage have tended to draw nearer together with the progress of the market season.

SOUTHERN TRUCKERS ACTIVE

Truck growers in the South are starting a full acreage in most lines, encouraged by northern and eastern fall shortage of onions, carrots, cabbage, tomatoes, and a few others. The storm and flood damage in Florida made some delay there and various districts will be late, but the Florida planting, at least, of cabbage and celery is reported probably larger than a year ago. Some of the truck land in the central districts is reported still too wet for planting. These are districts raising winter beans, cucumbers, eggplant, peppers, and tender crops of that kind. Conditions seem to be better near the coast and the tomato acreage of the important East Coast section is reported larger than last season.

For losses and delays by eastern storms, California, Arizona, Texas, and Mexico are likely to make up anything that falls short in the trucking line. Combined acreage of winter lettuce is supposed to be one-third larger. Growers in southern Texas plan to double their area of potatoes and fall tomatoes. There is talk of larger plantings of southern onions and cabbage. Reports from southern Texas show expected gains in acreage of most vegetables. All together there is every indication of an active winter trucking season.

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Division of Fruits and Vegetables, B. A. E.

FARM EARNINGS IN ILLINOIS SINCE 1924

Farm earnings in Illinois have shown a downward trend since 1924, according to farm financial records kept by a large number of farmers located in all parts of the State. The earnings in 1927 were lower than for any of the three preceding years, and this cumulative effect is beginning to leave the financial position of the Illinois farmers in a weakened condition. It is doubtful if the average farmer of the State got 2 per cent on a fair valuation of his property in 1927 after paying all expenses of operating his farm and allowing himself hired-man's wages. Farm valuations used approximate those existing prior to the World War. This is the evidence from actual accounts kept on 1,300 farms of the State and from other studies made by the department of farm organization and management of the University of Illinois.

Bank accounts of Illinois farmers were not helped much by the relative good prices for good products during 1927 because they did not have enough products to sell. Low yields of corn, oats, and wheat in the State were responsible for a portion of the shrinkage in earnings, while the price of hogs was not so good as for the two

preceding years. Incomes for the State as a whole were \$200 to \$300 less a farm during 1927 than they were during the previous year. This difference is not so great, but coming as it did following other years of low incomes it is having a bad effect. More and more farmers are cutting down on expenses which are really needed for maintaining their buildings and machinery, as well as for limestone and clover seed. The situation at the present time is more acute in the southern half of the State where the tendency toward a lower standard of the living on the farm is easily observed.

Each year an attempt is made in Illinois to estimate the average farm earnings by farming type areas, using the returns to account keepers as the basis for the estimate. By means of survey records taken in various parts of the State an attempt has been made to measure the relationship of farm earnings on farms where accounts are kept with earnings on all the farms in a community. It has been evident from the first that the better farmers are the ones who take up the accounting work. The following table will indicate how great this difference in earnings has been for the past three years in different parts of the State.

COMPARISON OF AVERAGE FARM EARNINGS OF ALL FARMERS IN SELECTED AREAS IN ILLINOIS WITH THOSE OF FARMERS COOPERATING IN ACCOUNTING PROJECTS

	Central Illinois		Southern Illinois		Western Illinois	
	Gridley Township, McLean County, 1925	Account-keeping farms, four counties, 1925 ¹	Mills Township, Bond County, 1926	Account-keeping farms, Clinton County, 1926	Wethersfield Township, Henry County, 1927	Account-keeping farms, Henry County, 1927
Rate earned --- per cent--	1. 50	3. 21	1. 86	3. 49	2. 25	4. 35
Size of farm-----acres--	189	232	177	172	183	205
Per cent of land tillable--	96	89. 7	89	72	93	86
Value of land an acre----	\$218	\$191	\$40	\$66	\$165	\$163
Total investment an acre--	\$252	\$258	\$63	\$108	\$218	\$231
Number of farms included--	113	225	108	56	117	60

¹ Farms in accounting project, McLean, Livingston, Woodford, and Tazewell Counties.

Authority: Annual report, 1925-26, and unpublished data, Agricultural Experiment Station, University of Illinois.

These comparisons would indicate that the average rate earned for all farms in a given area is 1.6 to 2.1 per cent less than on those farms enrolled in the farm-accounting projects. Farm accounts were kept and analyzed for 650 farmers in 1924, for 1,100 in 1925, 1,200 in 1926, and 1,300 in 1927. On the basis of the earnings on the selected farms and using the differential mentioned above, the following average earnings were computed for the State as a whole and for the various farming type areas:

COMPUTED FARM EARNINGS FOR ALL FARMERS IN ILLINOIS AND BY FARMING TYPE AREAS

<i>State</i>	Per cent
1924	4.5
1925	3.3
1926	2.3
1927	1.8

*Area 1. Dairying*

	Per cent
1924	4.3
1925	2.8
1926	2.9
1927	2.7

Area 2. Mixed livestock

	Per cent
1924	2.3
1925	5.3
1926	3.6
1927	1.6

Area 3. Beef and hogs

	Per cent
1924	4.3
1925	4.3
1926	2.3
1927	1.5

Area 4. Grain farming

	Per cent
1924	5.5
1925	1.8
1926	1.5
1927	2.0

Area 5. General farming (corn)

	Per cent
1924	6.3
1925	2.3
1926	2.3
1927	1.7

Area 6. General farming (wheat and corn)

	Per cent
1924	3.3
1925	4.8
1926	2.5
1927	1.6

Area 7. Wheat and dairying

	Per cent
1924	3.3
1925	4.3
1926	2.1
1927	2.5

Area 8. Mixed farming

	Per cent
1924	4.3
1925	4.3
1926	4.3
1927	1.6

These farming type areas have been worked out on the basis of differences in soil, climate, topography, kinds of crops grown, and livestock products marketed. Farm earnings for any section will vary, therefore, with changes in crop yields, with changes in costs of operation, and with changes in the price paid for various crops and kinds of livestock or livestock products. While the records of the entire farm business kept by large numbers of farmers serve as the best means of bringing into focus the effect of all the factors bearing on farm earnings, variations due to production and price conditions are indicated by the crop estimate data.

According to the reports from the State department of agriculture, the gross farm value of the principal Illinois crops produced during the 1927 season was about \$10,000,000 less than the value of the same crops for 1926. In Illinois, for 1927, the yield per acre of corn was 6.4 bushels, wheat 3.2 bushels, and oats 6.8 bushels less than the average for the period 1921-1925. Only 58.5 per cent of the State corn crop matured fully. The average corn yield of 30 bushels per acre was the smallest since 1916 and the quality of 67 per cent is one of the low records for the State. This corn was valued for the State as a whole at 71 cents per bushel on December 1, 1927, but with the quality so bad it is doubtful if it had feeding value in proportion to the price, and it is certain that much of it moved to market at a much lower price because it failed to grade.

The total value of all horses, mules, cattle, sheep, and hogs in Illinois on January 1, 1928, was about \$12,000,000 less than for the same period the year previous. There was a decrease in the value of hogs, but an increase in the value of cattle. The decrease in farm earnings in livestock areas is due to the decreased production of feed crops per acre and to the decreased value of all livestock. The increased price of grains did not help these sections, since they had no corn or oats and but little wheat to sell. The increase in earnings for the grain section in spite of low yields was due to the better price for grain crops, and crop sales make up the bulk of the income. The 1926 crop of corn was inventoried in the account records on January 1, 1927, at 50 cents per bushel, and much of this sold at a higher figure during the summer and fall of 1927. The 1927 crop of corn was inventoried largely at 65 cents per bushel on January 1, 1928.

In the light of the above-mentioned facts it is not surprising that farm earnings were lower in 1927 than for any of the past 14 years, with the exception of 1920 and 1921. It is to be hoped that 1928 will show a reversal of the downward trend of farm earnings. It is too early in the season to make any predictions as to farm profits for 1928.

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